

5.150 All Non-Expendable, Reusable Materials

Abdominal binder  
 Abdominal support  
 Adaptive dressing equipment  
 Adaptive eating utensils  
 Adaptive hygiene equipment  
 Air cleaner  
 Air splints  
 All non-expendable, reusable materials (bedpans, thermometers,  
     Towels, linen, ace bandages, rubber pants, etc.)  
 Alternating pressure pumps  
 Apnea monitor  
 Aquaped (K pad)  
  
 Bath bench  
 Bath lifts  
 Bath sling  
 Bed, electric  
 Bed, hospital  
 Bed rails  
 Blood glucose monitor  
  
 Commodes  
 Crib, hospital-type  
 Crib with enclosed top  
 Cushions, all types, wheelchairs  
  
 Elbow protectors  
 Elevated toilet seats  
 Enuretic alarm  
 Exercise equipment  
 Exercycle (exercise bike)  
  
 Floor stand, trapeze  
 Floor stand, weights  
 Flotation pads  
 Food pumps  
 Foot boards (model)  
 Foot protectors  
  
 Geriatric chairs  
 Gait belts  
  
 Hand cones  
 Hand splints, soft  
 Hosiery, including support and thrombo-embolytic  
     disease stockings  
 Hoyer or other hydraulic or non-hydraulic lift  
 Humidifier  
 IPPB (Intermittent positive pressure machine)  
 IV Poles

Lamp, heat and ultraviolet Lap boards/trays, wheelchair  
  
 Mat, exercise  
 Mattress, air, alternating pressure, gel, foam  
 Mattress pads  
 Lower extremity splints/positioners (e.g. mulitodus)  
  
 Name tags  
  
 Oxygen masks, canulas, tubing, nebulizer, flow meter  
  
 Patient lifts  
 Positioning equipment for wheelchairs, chairs and beds  
 Prone standers  
 Pulse oximeter  
  
 Reachers  
 Restraints  
 Roho, Jay or similar flotation cushion  
  
 Safety rails – hallways, bathroom areas (tub, toilet, shower)  
 Sitz baths – portable  
 Sliding boards  
 Standing tables  
 Suction machine (standard)  
  
 TENS units  
 Transfer devices  
 Traction apparatus  
 Trapeze  
 Tub, rail  
  
 Vaporizer, room  
 Volumetric pump  
  
 Walkers, canes, crutches (including quad-canes)  
 Water mattress  
 Wheelchairs, all manual  
 Wheelchairs, power (See Sec 5.160)  
 Whirlpool  
 Wrist bands and alarm systems

Gloves (latex and vinyl)

Hydrogen peroxide

Lemon or glycerin swabs

Lubricating jellies (Vaseline, KY jelly, etc.)

Oral hygiene products (dental floss, toothpaste, toothbrush, Waterpik)

Phosphate enemas

Plastic or adhesive bandages (e.g. Band-aids)

Shampoos (except specialized shampoos as Selsun and similar products)

Soaps (antiseptic and non-antiseptic)

Straws (paper and plastic)

Syringes and needles, Lancets (disposable and reusable)

Tapes, all types

Tincture of benzoin

Tongue depressors

Tracheotomy care sets and suction catheters

Tube feeding sets and components part

**NOTE:** Although these are the most common of the personal comfort items, this is not intended to be an all-inclusive list. Exceptional supply needs subject to prior authorization are based upon the Department's guidelines pursuant to Section 4.695.

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 Bed, hospital  
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 Cushions, all types, wheelchairs

Elbow protectors  
 Elevated toilet seats  
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 Exercise equipment  
 Exercycle (exercise bike)

Floor stand, trapeze  
 Floor stand, weights  
 Flotation pads  
 Food pumps  
 Foot boards (model)  
 Foot protectors

Geriatric chairs  
 Gait belts

Hand cones  
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Name tags

Oxygen masks, canulas, tubing, nebulizer, flow meter

Patient lifts  
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 Pulse oximeter

Reachers  
 Restraints  
 Roho, Jay or similar flotation cushion

Safety rails – hallways, bathroom areas (tub, toilet, shower)  
 Sitz baths – portable  
 Sliding boards  
 Standing tables  
 Suction machine (standard)

TENS units  
 Transfer devices  
 Traction apparatus  
 Trapeze  
 Tub, rail

Vaporizer, room  
 Volumetric pump

Walkers, canes, crutches (including quad-canes)  
 Water mattress  
 Wheelchairs, all manual  
 Wheelchairs, power (See Sec 5.160)  
 Whirlpool  
 Wrist bands and alarm systems

**5.160 Durable Medical Equipment and Wheelchairs - Exceptions****5.162 General**

Durable medical equipment and wheelchairs reasonably associated with a patient's personal living needs in normal and routine nursing home operations are to be provided to Medicaid recipients without charge to the patient, the patient's family, or other interested persons. The cost of all wheelchairs, including geriatric chairs but excluding motorized wheelchairs or vehicles, is included in the nursing home payment rate.

Under certain exceptions, durable medical equipment (DME) and wheelchairs may be billed separately by the supplier if prior authorized. The prior authorization request must document the need for the item according to the exception criteria described below.

**5.164 Durable Medical Equipment**

Exceptions to permit separate payment for DME may be allowed by the Department if the DME is personalized or custom-made for a recipient resident and is used by the resident on an individual basis for hygienic or other reasons. These items include orthoses, prostheses (including hearing aids), orthopedic or corrective shoes, or pressure relief beds.

**5.166 Special Adaptive Positioning or Electric Wheelchairs**

The Department may permit separate payment for a special adaptive positioning or electric wheelchair, while a recipient resides in a nursing home, if the wheelchair is prescribed by a physician and the following criteria are met:

1. The wheelchair is personalized in nature or is custom-made for a patient and is used by the resident on an individual basis for hygienic or other reasons, AND
2. The special adaptive positioning wheelchair or electric wheelchair is justified by the diagnosis and prognosis and the occupational or vocational activities of the recipient (i.e., educational, therapeutic involvement).

Exceptions for wheelchairs may be allowed for the recipient who is about to transfer from a nursing home to an alternate and more independent setting.

**5.167 References**

Information regarding DME and wheelchairs is contained in HFS 107.24, Wis. Adm. Code, and in the DME Provider Handbook. (For more information on prior authorization, see HFS 107.02(3), Wis. Adm. Code.)

**5.200 OVER-THE-COUNTER DRUGS****5.210 General**

Certain over-the-counter drugs are to be provided to Medicaid recipient patients without charge to the patient, the patient's family, or other interested persons. Costs for any such over-the-counter drugs are considered to be reimbursed in the facility's daily rate and, therefore, not to be billed or paid for separately.

The following is a partial list of items covered by Section 5.200. The Department retains its authority under s. 49.45(10), Wis. Stats., to amend, modify, or delete items from the list.

Aspirin	Vaginal products	Hemorrhoidal products
Ibuprofen	Digestive aids	Antibiotic Ointment
Vitamins	Saliva substitutes	Pediculicides
Non-covered cough & cold products	Acetaminophen	Decubitus treatments
Non-covered ophthalmic products	Laxatives	Capaicin Topical Products
Topical steroids	Minerals	Antidiarrheals
Antifungals	Antihistamines	

The above list does not represent the entire list of drugs covered under Section 5.200 and other non-covered over-the-counter drugs may be added to this section. Over-the-counter drugs covered under this section must be on the Division of Health Care Financing's approved OTC list or index.

**5.300 COST REPORT INFLATION AND DEFLATION FACTORS**

Inflation and deflation factors to adjust expenses from nursing home cost reports to the common period are given below. The common period is the twelve-month period prior to the payment rate year. The factors listed below apply to annual nursing home cost reports ending in the following months.

5.310 Direct Care

	<u>January February March 2001</u>	<u>April May June 2001</u>	<u>July August September 2001</u>	<u>October November December 2001</u>
Wages	5.9%	4.5%	3.2%	2.0%
Fringe Benefits	3.8%	2.8%	2.0%	1.3%
Supplies	2.4%	1.6%	0.9%	0.5%
Purchased Services	4.0%	3.1%	2.2%	1.4%

5.320 Support Services

	<u>January February March 2001</u>	<u>April May June 2001</u>	<u>July August September 2001</u>	<u>October November December 2001</u>
Composite Support Service Expenses	4.4%	3.3%	2.3%	1.4

5.330 Administrative and General Services

	<u>January February March 2001</u>	<u>April May June 2001</u>	<u>July August September 2001</u>	<u>October November December 2001</u>
Composite Administrative and General Services Expenses	4.4%	3.3%	2.3%	1.4%

5.340 Fuels and Utilities

	<u>January February March 2001</u>	<u>April May June 2001</u>	<u>July August September 2001</u>	<u>October November December 2001</u>
Fuel Oil	-12.7%	-14.5%	-14.4%	-10.7%
Natural Gas	-7.6%	-14.3%	-16.0%	-13.7%
LP Gas	-7.6%	-14.3%	-16.0%	-13.7%
Coal	-12.7%	-14.5%	-14.4%	-10.7%
Electricity	7.2%	5.3%	2.9%	1.2%
Water and Sewer	4.0	3.2%	2.4%	1.6%

5.350 Over-the-Counter Drugs

Inflation rate to the common period	2.4%	1.6%	0.9%	0.5%
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5.360 Alternate Cost Report Periods

The Department may establish alternate inflation or deflation factors for cost reporting periods not listed above.

## 5.400 DIRECT CARE PAYMENT PARAMETERS

5.410 Labor Factors

<u>County</u>	<u>Labor Factor</u>	<u>County</u>	<u>Labor Factor</u>
Adams	0.945	Oneida	0.945
Ashland	0.945	Outagamie	1.019
Barron	0.945	Ozaukee	1.081
Bayfield	0.945	Pepin	0.945
Brown	1.017	Pierce	1.171
Buffalo	0.945	Polk	0.945
Burnett	0.945	Portage	0.945
Calumet	1.019	Price	0.945
Chippewa	0.952	Racine	0.953
Clark	0.945	Richland	0.945
Columbia	0.945	Rock	1.050
Crawford	0.945	Rusk	0.945
Dane	1.101	St. Croix	1.171
Dodge	0.945	Sauk	0.945
Door	0.945	Sawyer	0.945
Douglas	1.114	Shawano	0.945
Dunn	0.945	Sheboygan	1.026
Eau Claire	0.952	Taylor	0.945
Florence	0.945	Trempealeau	0.945
Fond du Lac	0.945	Vernon	0.945
Forest	0.945	Vilas	0.945
Grant	0.945	Walworth	0.945
Green	0.945	Washburn	0.945
Green Lake	0.945	Washington	1.081
Iowa	0.945	Waukesha	1.081
Iron	0.945	Waupaca	0.945
Jackson	0.945	Waushara	0.945
Jefferson	0.945	Winnebago	1.019
Juneau	0.945	Wood	0.945
Kenosha	0.996	Menominee	0.945
Kewaunee	0.945		
La Crosse	0.996		
Lafayette	0.945		
Langlade	0.945		
Lincoln	0.945		
Manitowoc	0.945		
Marathon	1.032		
Marinette	0.945		
Marquette	0.945		
Milwaukee	1.081		
Monroe	0.945		
Oconto	0.945		

5.420 Case Mix Weights

Level of Care	Case Mix Weight
DD3	1.10
DD2	1.55
DD1B	1.85
DD1A	1.85
ICF4	0.25
ICF3	0.25
ICF2	0.50
ICF1	0.70
SNF	1.00
ISN	1.30
Ventilator	4.00

5.430 Statewide Direct Care Base

The statewide Direct Care Direct Services Base is \$60.19.

The statewide Direct Care Supplies and Other Base is \$3.11

5.440 Statewide Direct Care Cost Inflation Increment

The statewide Direct Care Direct Services inflation increment is \$ 2.05

The statewide Direct Care Supplies and Other inflation increment is \$0.11

5.500 SUPPORT SERVICES PAYMENT PARAMETERS5.510 Support Services Maximum and Increment

Target T1 = \$21.90 for common period.  
 Target T2 = \$22.64 for common period.  
 Increment = \$ 0.74 to adjust costs to payment rate year.

5.550 Administrative and General Services Payment Parameters5.551 Administrative and General Services Maximums and Increment

Maximum for Providers over 40 beds for rate setting (Section 3.040) = \$13.13  
 Maximum for Providers with 40 or fewer beds for rate setting (Section 3.040) = \$13.13  
 Increment = \$ 0.42

5.600 FUEL AND UTILITY PAYMENT PARAMETERS5.610 Fuel and Utility Targets

The following fuel and utility expense targets are for the common period.

Target	Counties in Region
Region I = \$2.77	Bayfield, Douglas
Region II = \$2.76	Ashland, Iron, Oneida, Price, Vilas
Region III = \$2.69	Barron, Burnett, Chippewa, Clark, Florence, Forest, Langlade, Lincoln, Marathon, Marinette, Menominee, Oconto, Polk, Rusk, Sawyer, Shawano, Taylor, Washburn
Region IV = \$2.74	Adams, Brown, Buffalo, Calumet, Door, Dunn, Eau Claire, Fond du Lac, Green Lake, Jackson, Juneau, Kewaunee, La Crosse, Manitowoc, Marquette, Monroe, Outagamie, Pepin, Pierce, Portage, Sheboygan, St. Croix, Trempealeau, Waupaca, Waushara, Winnebago, Wood
Region V = \$2.64	Columbia, Crawford, Dane, Dodge, Grant, Green, Iowa, Jefferson, Lafayette, Richland, Rock, Sauk, Vernon
Region VI = \$2.62	Kenosha, Milwaukee, Ozaukee, Racine, Walworth, Washington, Waukesha

5.612 Fuel and Utility Increase Allowance

The inflation factor to adjust payment and expense to the payment rate year shall be 4.0%.

5.700 PROPERTY TAX PAYMENT PARAMETERS

5.710 Real Estate Tax and Municipal Fees Inflation Rates.

Inflation for real estate taxes = 7.0%

Inflation for municipal fees = 7.0%

5.800 PROPERTY PAYMENT PARAMETERS

5.810 Property Increments

(a) ICF-MRs	\$3.29
(b) NFs	\$1.06

For distinct part facilities only, the property increment will be a blended increment based on ICF-MR and NF pat reporting period.

5.820 Service Factors

(a) T1	6% of equalized value (after adjustments under Sections 3.531(a) and (b))
(b) T2	7.5% of equalized value (after adjustments under Sections 3.531(a) and (b))

5.830 Equalized Value

Equalized Value: \$52,900

5.840 Cost Share Value

5.840(a) Cost Share Value: 20%

5.840(b) Cost Share Value for nursing facilities referenced in Sections 3.070 and 3.532: 40%

5.850 Incentive Value

Incentive Value: 20%

5.900 OTHER PAYMENT PARAMETERS

5.910 OTC Increase Allowance

The inflation factor to adjust payment and expense to the payment rate year shall be 2.6%.

OTC Target = \$0.42



MEDICAID NURSING HOME PAYMENT RATE METHODS

ADDENDUM: COSTS FOR OBRA '87 COMPLIANCE

6.500 REIMBURSEMENT OF THE OMNIBUS BUDGET RECONCILIATION ACT OF 1987 (OBRA '87) REQUIREMENTS

6.503 Payments for OBRA '87 Requirements

Upon compliance, the allowance under Section 3.100 has been adjusted for facilities over 120 beds for the addition of qualified social workers. Notwithstanding Section 3.121, the facility's actual allowable direct care expenses shall be inflated from the cost reporting period to the common period, to fund costs incurred to comply with OBRA '87, as well as the annual estimated inflationary increase.

In Section 3.251 describing the calculation for Administrative and General Services allowances, the expense factor is defined as the facility's allowable expenses (per patient day) adjusted by a composite inflation factor, including annual inflation and cost inflation to comply with OBRA '87 applied to the common period.

6.503(a) For ICF facilities converting to NF facilities

The related direct care costs have been included in the allowable costs reported under Section 4.600.

6.506 Compliance with OBRA '87 Requirements

The Department's Bureau of Quality Assurance determines compliance with OBRA '87 for each nursing facility. Allowances under Section 6.503 of these Methods will only recognize costs determined by Bureau of Quality Assurance to be related to OBRA '87 compliance.

6.507 Professional Nurse Staffing Requirement

Nursing homes' rates have been adjusted for the incremental costs to meet OBRA requirements relating to having a professional nurse (RN or LPN) on duty at all times. One of the following conditions had to be met to be eligible for the adjustment:

- a. The facility has 50 or fewer licensed beds, or
- b. The facility changed its certification from intermediate care facility (ICF) to nursing facility (NF) on or after October 1, 1990.

The adjustment may be effective on the first day of the month following the date the facility fulfilled the staffing requirement. The adjustment may allow payments for direct care services to exceed the maximums which are applied under Section 3.100, by 20 percent. The costs have now been incorporated in the base cost reports for qualifying nursing homes, and the adjustment has been addressed through incorporating the provisions in the Methods in Section 3.122.

COMPARISON OF OBRA '87 AND OBRA '90 WITH WISCONSIN NURSING HOME REQUIREMENTS  
(CH. HFS WIS. ADMIN. CODE)

1. Nurse Staffing

State regulations under HFS 132.62(2) and (3), Wis. Adm. Code, comply with OBRA '87 requirements in all areas.

2. Other Staffing

Requirements in this area with the exception of social worker staffing, are met by State regulations under HFS 132.63 (dietary services), .64 (rehabilitative services), .65 (pharmaceutical services), .66 (laboratory, radiologic and blood services), .67 (dental services), and .69 (activities), Wis. Adm. Code. Medical records requirements are fulfilled under HFS 132.45, Wis. Adm. Code. Currently, Wisconsin requires either a full-time or part-time social worker (HFS 132.68(2), Wis. Adm. Code), while OBRA mandates at least a full-time social worker for facilities over 120 beds.

3. Continuing Education for Nurse Aides

HFS 129, Wis. Adm. Code, effective July 1, 1991, complies with all OBRA requirements.

4. Resident Assessment

Current State requirements at HFS 132.52(3) through (6), Wis. Adm. Code, require evaluation and assessment at the time of admission to the facility. A minimum data set and resident assessment protocols are required along with a quarterly review and annual reassessment. The State has specified the HCFA MDS as the resident assessment instrument for all nursing homes in the State to use.

5. Plans of Care

The initial Plan of Care (HFS 132.52(4), Wis. Adm. Code) is required under state code upon admission to a facility and, within 4 weeks of admission, a care plan must be written. The care plan must be reviewed, evaluated, and updated as necessary (HFS 132.60(8), Wis. Adm. Code). Required areas/contents of the care plan correspond to OBRA '87 requirements. While timing of the comprehensive plan differs from OBRA '87, other requirements, in general, comply.

6. Resident Personal Funds

State regulation under HFS 132.31, Wis. Adm. Code, requires all resident funds be deposited in an interest-bearing account with separate accounting for each resident. A quarterly report must be made to each resident except in cases of discretionary expenditure authority for the facility, in which case, reporting may be monthly. To comply with OBRA '87, facilities will have to establish a second, non-interest bearing account or petty cash fund for amounts under \$50 and re-adjust for current interest-bearing monies under \$50. Further, facilities must notify resident when his/her account reaches \$200 less than the MA eligibility limits. Monitoring compliance with these requirements performed by the state survey agency and the state Medicaid agency is based on an interagency agreement.

7. Resident Rights

All State requirements for facilities meet the OBRA requirements regarding all residents rights issues. However, the State continues to work with facilities to reduce both physical and chemical restraint use in nursing facilities.

8. Compliance with the Definition of a Nursing Facility

All facilities are in compliance with the OBRA definition of a nursing facility or operating under a waiver of specific portions of the regulations.

## SUMMARY OF OBRA NURSING HOME COMPLIANCE

1. Nurse Staffing
  - No additional cost.
2. Plans for Care
  - No additional cost.
3. Resident Assessments
  - No additional cost will be incurred in this rate period.
4. Other Staffing Requirements (Social Workers)
  - No additional cost.
5. Continuing Educations (Nurses Aides)
  - No additional cost.
6. Resident Rights (freedom from restraints)
  - No additional cost will be incurred in this rate period.
7. Personal Funds
  - No additional cost.
- 8a. Physical Plant Projects (HVAC and ancillary space)
  - No additional costs will be incurred during this rate period.
- 8b. ICF Conversions
  - No additional cost in this rate period.
9. Services Required to Ensure the Highest Physical, Mental and Psychosocial Well-Being of Each Resident
  - No additional cost.

FY 00 ESTIMATED COST = \$ -0- OR \$ -0- PPD

## ANALYSIS AND SUMMARY FOR OBRA '87 AND '90

Wisconsin has reviewed its estimates for the cost of implementing the requirements of OBRA '87 and OBRA '90. The following represents the cost analysis and summary of OBRA implementation for the payment rate year.

Several sources were used to estimate costs of OBRA '87. Primarily these are the survey guidelines issued by HCFA reviewed against costs itemized on nursing facility cost reports, two clinical resident surveys conducted in a group of Wisconsin's nursing facilities, and an analysis of facility staffing collected during annual facility surveys. For both the resident assessment system and freedom from restraint requirement, resident sampling was conducted to estimate additional staff time needed to conduct the activities necessary to comply with the new requirements. This information is updated with survey information as it becomes available and cost report information that document staffing in NFs and ICF-MRs. We believe that facilities completed implementation of OBRA on or before October 1, 1990, as required by federal law. The cost reports for rate setting are from facility fiscal years subsequent to 1990; therefore, the cost of implementing the requirements of OBRA '87 and OBRA '90 are now totally incorporated into the cost reports that are used for the payment plan.

1. Nurse Staffing: For the facilities licensed and certified as SNF (NF) prior to implementation of OBRA '87, it is determined that no additional costs are being incurred since current state regulations already comply with OBRA '87 requirements in this area. (See Comparison on Current Wisconsin and OBRA '87 Requirements.)
2. Plans of Care: It is anticipated that no additional costs are being incurred to comply with the Plan of Care Requirements. (See Comparison of Current Wisconsin and OBRA '87 Requirements.)
3. Resident Assessments: The agency, in a joint effort with the nursing home industry, conducted a sample survey of residents in ten nursing facilities to determine the additional time necessary to fulfill the requirements to complete the new MDS and RAP. An average of 2.63 additional nursing hours were needed, an average 1.13 social work hours and an average 0.74 activity hours were reported. Based on the average salary and fringe benefit costs from 1988 cost reports, inflated to the 1990-91 year, the estimated implementation cost was \$2.0 million. It is assumed that the total cost of implementation has been reported on facility cost reports that will be used for establishing rates.
4. Other Staffing: Survey results indicate no additional needs beyond the funding made available during the 1990-91 rate year.
5. Continuing Education for Nurses Aides: Based on revised regulations, continuing education requirements for nurses aides have been significantly reduced over original OBRA estimates. No additional funding is required.
6. Resident Rights: Implementation of this requirement was completed during previous cost report periods.
7. Resident Personal Funds: Implementation of these requirements indicate no additional funding will be necessary for the payment rate year.
8. Compliance with the Definition of "Nursing Facility":
  - A. Physical Plant Requirements. Review of the new Federal Survey Guidelines indicated that major renovations may be necessary for a number of facilities to bring their heating, ventilation and air conditioning (HVAC) systems up to compliance with OBRA '87 temperature requirements. To estimate costs, 18 previous projects were identified and the average cost of these projects was used as the cost of new projects. In addition, it is anticipated that some facilities will have to construct additional spaces for activities, therapies and other ancillary services. The cost basis for these construction projects to "ancillary areas" is estimated at the equivalent of 50% of the construction of new bed areas.  
  
Total necessary HVAC renovation and ancillary space additions are expected to cost \$3.2 million in prior rate years. We believe that all facilities are now in compliance with the definition of a nursing facility and costs have been incorporated into the cost reports.
  - B. ICF Conversion. The basis for this estimate is the change in rates for 11 facilities converting from ICF to SNF licensure since July 1, 1987, inflated forward. The average change was applied to patient days for the remaining 14 ICF facilities at an estimated cost of \$1.092 million. All conversions have been completed prior to this rate period; therefore, their conversion costs are included in the cost reports that will be used to establish rates for this reimbursement period.
9. Services Required to Ensure the Highest Physical, Mental and Psychosocial Well-Being of Each Resident: The costs of this requirement are included in the resident direct care costs estimated in items 1-6. The objective of requirements included in these items is the maximization of physical, mental and psychosocial well-being of all residents.